

# How to Pay for Breakfast

Adding another meal service to the school day will increase overall expense to the foodservice budget, but this expense can be balanced with federal reimbursement and revenue from students.

Federal Reimbursement	Revenue from Students						
<p>USDA provides reimbursement to schools for meals served based on student's income eligibility. Payment categories include free, reduced-price, and paid.</p> <p><b>Rates for 2010-11</b></p> <table> <tr> <td>Free</td><td>1.48</td></tr> <tr> <td>Reduced Price</td><td>1.18</td></tr> <tr> <td>Paid</td><td>.26</td></tr> </table>	Free	1.48	Reduced Price	1.18	Paid	.26	<p>The school can provide breakfast free of charge to all students regardless of income. However, if this is not feasible, the food service department will receive revenue from students who pay either full or reduced price for a breakfast.</p>
Free	1.48						
Reduced Price	1.18						
Paid	.26						
<p>“Severe need” schools – are schools where 40% of the lunches served 2 years prior to the current year were free or reduced price meals. The classification of severe need makes schools eligible for additional reimbursement with each meal.</p> <p><b>Severe Need Rates for 2010-11</b></p> <table> <tr> <td>Free</td><td>1.76</td></tr> <tr> <td>Reduced price</td><td>1.46</td></tr> <tr> <td>Paid</td><td>.26</td></tr> </table>	Free	1.76	Reduced price	1.46	Paid	.26	<p>The maximum charge for a reduced-price breakfast is 30 cents.</p> <p>The charge for a full price breakfast should not exceed the actual cost of preparing the meals minus any federal reimbursement.</p>
Free	1.76						
Reduced price	1.46						
Paid	.26						

# Calculating Costs for Breakfast

If your school is already participating in the National School Lunch Program, the start-up costs needed for breakfast will be relatively small. Here is an example of how to determine whether or not breakfast will be a profit or loss for your foodservice.

Date: October 1, 2010

Number of Meals: 115

## Expenses

Actual Total Food Cost		80.00
Total Labor Cost	2 hours @ \$13.50	27.00
Total Supplies Cost		5.00
Total Other Cost		0.00

**1) Total Expenses 112.00**

## Revenue

Paid Meals	25@ \$1.00	25.00
Reduced Price Meals	10@ \$ .30	3.00
Adult Meals	5 @ \$1.50	7.50
Other Food		

**2) Total Revenue 35.50**

## Reimbursement\*

Paid Meals	25@ \$ .26	6.50
Reduced Price Meals	10@ \$1.18	11.80
Free Price Meals	75@ \$1.48	111.00

**3) Total Reimbursement 129.30**

Total Revenue (Line 2 + 3)	164.80
<b>Less Total Expenses (Line 1)</b>	<b><u>112.00</u></b>
<b>Profit (+) or Loss ( - )</b>	<b><u>+52.80</u></b>

\*These numbers are based on non severe need rates for 2010-11.

This example can be used to calculate several different scenarios. If your school will offer universal breakfast at no cost to students, there will not be a revenue source under line 2. All funding will be provided through reimbursements and school funds.

If your school is considering breakfast in the classroom, additional expenses may include funds for insulated bags and coolers and sturdy trash bins.